

ALICE 2018 – Applying the USPTO February 2018 Guidelines

Summary

An overview of what makes patents statutory under 35 U.S.C. § 101 according to the *Mayo* Two Step test and the *February 2018 USPTO Guideline* is applied to determine whether other inventions are eligible for patent protection under 35 U.S.C. § 101. More specifically, this paper provides a rationale for using holdings in both computer-based as well as biological patents to support patent eligibility of a computer-based invention under 35 U.S.C. § 101.

As patent professionals, it is important to note that we have a fiduciary duty and responsibility to the US Patent Office to comport with the current laws and regulations. This presentation will give guidance on how to apply patent laws and regulations to patent applications.

Introduction

Under 35 U.S.C. § 101, “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.”

In the 1952 Patent Act, this was construed as meaning that Congress intended statutory subject matter to "include anything under the sun that is made by man." S Rep. No 1979, 82d Cong., 2d Sess., 5 (1952); H.R.Rep. No. 1979, 82d Cong., 2d Sess., 6 (1952).

However, as stated in *Diamond v. Chakrabarty*, 447 U.S. 202 (1980), “This is not to suggest that § 101 has no limits, or that it embraces every discovery. The laws of nature, physical phenomena, and abstract ideas have been held not patentable.”

Alice Corp. Pty. Ltd. v. CLS Bank Intern., 134 S. Ct. 2347, 573 US ___, 189 L. Ed. 2d 296 - Supreme Court, 2014 – “Alice”

On June 29, 2014, the U.S. Supreme Court issued guidelines regarding what is statutory under 35 U.S.C. § 101 in *Alice*. The invention described in *Alice* used a third-party escrow intermediary to settle, at the end of each day, a debt from a first party by a payment from a second party. The *Alice* court held this to be an “abstract idea” that is not eligible for patent protection under 35 U.S.C. § 101.

The *Alice* court adopted a Two-Step test created in *Mayo v. Prometheus*, 132 S. Ct. 1289 (2013).

Step 1 of the *Mayo* test is to determine if the invention is a “process, machine, manufacture or composition of matter”. If not, then it cannot be patented under 35 U.S.C. § 101. If it is, then Step 2A of the *Mayo* test is applied.

Step 2A of the *Mayo* test asks if the claim is directed to a law of nature, a natural phenomenon, or an abstract idea (judicially recognized exceptions). If not, then the invention is statutory under 35 U.S.C. § 101. If it is, then Step 2B of the *Mayo* test is applied.

Step 2B of the *Mayo* test asks if the claim recites additional elements that amount to significantly more than the judicial exception. If it does not, then the claimed invention is not statutory under 35 U.S.C. § 101. If it does, then the claimed invention is statutory under 35 U.S.C. § 101.

February 2018 USPTO Guideline

In February 2018, the U.S. Patent and Trademark Office (USPTO) issued a three-page guideline (the “*February 2018 USPTO Guideline*”), which highlighted cases that have been deemed to be statutory under 35 U.S.C. § 101 as well as cases that have been deemed not to be statutory under 35 U.S.C. § 101.

More specifically, the *February 2018 USPTO Guideline* reviewed patents that have passed Step 2A and/or Step 2B of the *Mayo* test.

Cases listed in the *February 2018 USPTO Guidelines* that were found to be eligible for patenting according to Step 2A of *Mayo*

Core Wireless Licensing S.A.R.I. v. LG Electronics, Inc., LG Electronics Mobilecomm U.S.S., Inc.,
F.3d (Fed. Cir. 2018) – “*Core Wireless*”

The invention in *Core Wireless* presented a summary window on a GUI. The summary window showed data/functions that can be provided/performed by applications from a list of applications shown on the GUI. By clicking a particular data/function, the associated application is launched, in order to show the data or perform the function shown in the summary window.

As discussed on page 9 of the slip opinion, claims that “are directed to a particular manner of summarizing and presenting information in electronic devices” (see page 9 of the slip opinion), particularly in a manner that is more than just labels (e.g., using a unique way to access the information) is statutory under Step 2A of *Mayo*

Therefore, if an invention improves how data is presented using a novel approach to present and access data/applications (e.g., a summary window from which applications can be launched), then it should be statutory under 35 U.S.C. § 101.

DDR Holdings, LLC v. Hotels.com L.P., 773 F.3d 1245 (Fed. Cir. 2014) – “*DDR*”

DDR held that creating a composite web page that has a same “look and feel” as an original web page plus information from a user-activated link in the original web page is statutory under 35 U.S.C. § 101. More specifically, “the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks” (see page 20 of the *DDR* slip opinion).

Therefore, if an invention overcomes a problem that specifically arises in technology, then it should be statutory under 35 U.S.C. § 101.

Enfish, LLC v. Microsoft Corporation, 822 F.3d 1327 (Fed. Cir. 2016) – “Enfish”

Enfish stores data in a single self-referential table, which is more flexible than a traditional relational database, and thus allows for faster retrieval of information (see page 7 of the *Enfish* slip opinion). Thus, the operation of the computer is improved.

Therefore, if an invention improves the functioning of a computer, it should be eligible for patent protection under 35 U.S.C. § 101.

Finjan, Inc. v. Blue Coat Systems, Inc., ___ F.3d ___ (Fed. Cir. 2018) – “Finjan”

Finjan presented a “security profile”, which identifies suspicious code in a downloaded file, is attached to the downloadable file. The suspicious code is identified according to what it does (e.g., renaming files, deleting files) rather than what it is (i.e., a known virus). This is different from *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1319 (Fed. Cir. 2016), which was held to be non-statutory under 35 U.S.C. § 101 since it simply performed virus screening by matching code to known viruses.

Thus, the invention in *Finjan* 1) identifies suspicious code in a new manner, and 2) lets the end user decide, after reviewing the “security profile” whether to download the file (see page 6 of the slip opinion).

As stated on page 8 of the *Finjan* slip opinion, “The fact that the security profile ‘identifies suspicious code’ allows the system to accumulate and utilize newly available, behavior-based information about potential threats. The asserted claims are therefore directed to a non-abstract improvement in computer functionality.”

Therefore, if an invention provides 1) a non-traditional manner of identifying malware, and 2) a unique manner of alerting a user to the suspicious code, then it improves the functionality of the computer and should be eligible for patent protection under 35 U.S.C. § 101.

McRO, Inc. v. Bandai Namco Games America Inc., F.3d (Fed. Cir. 2016) – “McRO”

McRO uses an algorithm to synchronize cartoon lip movement to speech sounds. *McRO* does not perform this synchronization the way an artist would do manually, and thus the invention is statutory under 35 U.S.C. § 101.

Therefore, if an invention performs an operation that was previously done manually, but in a different way (e.g., by applying a set of rules), then it should be eligible for patent protection under 35 U.S.C. § 101.

Thales Visionix Inc. v. United States et al., F.3d (Fed. Cir. 2017) – “Thales”

Thales uses sensors to identify real-time locations of boxes in the back of a truck, thus reducing errors in an inertial system that tracks an object on a moving platform.

Therefore, if the invention is directly tied to a device, then it should be eligible for patent protection under 35 U.S.C. § 101.

Trading Technologies International, Inc. v. COG, Inc. et al., F.3d (Fed. Cir. 2017) – “TTI”

TTI creates a graphical user interface (GUI) that ensures that a seller of a commodity gets paid by the buyer, thus improving the accuracy of trader transactions (see page 9 of the *TTI* slip opinion).

Therefore, if the electronic system is improved (i.e., is a GUI with features not previously found in trader GUIs), then it should be eligible for patent protection under 35 U.S.C. § 101.

Visual Memory LLC, v. Nvidia Corp. F.3d (Fed. Cir. 2017) – “Visual Memory”

Visual Memory teaches adjustable cache memory that is restricted to storing just data, just instructions, or both data and instructions based on the type of processor that it supports, thus making a more efficient memory system.

Therefore, an improvement to a computer-based element (e.g., memory) makes the invention statutory under 35 U.S.C. § 101.

Association for Molecular Pathology v. Myriad Genetics, Inc. 569 U.S. (2013) – “Myriad SCOTUS”

Myriad SCOTUS holds that creating genetic material that is not found in nature is statutory.

Therefore, non-natural genetic material, which is created in the laboratory by man, should be eligible for patent protection under 35 U.S.C. § 101.

Cases listed in the February 2018 USPTO Guidelines that were found to be eligible for patenting according to Step 2B of Mayo

In re Abele, 684 F.2d 902 (CCPA 1982) – “Abele”

Abele uses data from a computer tomography (CT) scanner to produce and display grey scale images on a display.

Even though the *Abele* decision was released over 20 years before *Alice*, it has not been overturned.

Therefore, if an algorithm (as used in *Abele*) improves a specific process (e.g., CT scanning), then the invention should be eligible for patent protection under 35 U.S.C. § 101.

Amdocs (Israel) Ltd. V. Openet Telecom, Inc., F. 3d (Fed. Cir. 2016) – “Amdocs”

Amdocs processes network usage records close to their sources before being transmitted to a centralized manager, thus preventing bottlenecks and reducing network bandwidth consumption.

Therefore, if the invention uses a novel “distributed architecture” that improves overall computer functionality of the network and/or the attached devices, the invention should be eligible for patent protection under 35 U.S.C. § 101.

BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC, 827 F.3d 1341 (Fed. Cir 2016) – “BASCOM”

BASCOM lets a client tell an ISP server which filters to use when retrieving data, such that only data that the user wants will be returned. Because this distributed system preserves network bandwidth, it is statutory.

Therefore, if the invention improves the network, then it should be eligible for patent protection under 35 U.S.C. § 101.

Classen Immunotherapies Inc. v. Biogen IDEC, 659 F.3d 1057 (Fed. Cir 2011) – “Classen”

Classen teaches a system for evaluating the efficacy of a certain immunization protocol, and then implements that protocol. The implementation step raises the invention from an abstract idea (evaluating the protocol) to a statutory invention under 35 U.S.C. § 101.

Therefore, once an algorithm comes to a certain conclusion, then performing an action based on that conclusion raises the invention to being eligible for patent protection under 35 U.S.C. § 101.

Diamond, Commissioner of Patents and Trademarks v. Diehr et al. 450 U.S. 175 (1981) – “Diehr”

Diehr uses an algorithm to determine when to open and close a rubber mold press. There is no requirement that the rubber mold press be performed by a machine, or that a product results from the process (see pages 179-180 of *Diehr*).

Therefore, once an algorithm comes to a certain conclusion, then performing an action based on that conclusion raises the invention to being eligible for patent protection under 35 U.S.C. § 101.

The Association for Molecular Pathology et al. v. United States Patent and Trademark Office, Myriad Genetics, Inc., et al., F.3d (Fed. Cir. 2012) – “Myriad CAFC”

Myriad CAFC uses unnatural BRCA genes (DNA that only has exons capable of creating mRNA that builds proteins) to test the efficacy of therapeutic drugs.

Therefore, using a non-natural object to perform a specific activity raises the invention to being eligible for patent protection under 35 U.S.C. § 101.

Application of the February 2018 Guidelines

1. Look for a similarity between an invention that is being patented and another invention described in the *February 2018 Guidelines* as being eligible for patent protection under 35 U.S.C. § 101.

That is, if a current invention uses similar approaches, results, etc. as one of the inventions listed in the *February 2018 Guidelines*, while retaining its novelty, then it should be eligible for patent protection under 35 U.S.C. § 101.

2. If no prior case is in the exact same field as a current invention, then “stack” various cases.

For example, assume that the claimed invention is:

A method comprising:

- activating a link to a remote site in order to get data from that remote site;
- storing the data in a dedicated memory chip;
- retrieving and displaying the data on a GUI that has a unique appearance based on the activated link; and
- using the displayed data as a password to open an application.

Such a claim may initially appear to be an abstract idea of storing and displaying data (as prohibited in *TLI Communications LLC v. AV Automotive LLC*, 823 F.3d 607 (Fed. Cir. 2016) and *Electric Power Group, LLC v. Alstom*, 830 F.3d 1350 (Fed. Cir. 2016)). However, each element tracks with a statutory concept in another case, while retaining its novelty.

That is, “activating a link to a remote site in order to get data from that remote site” is a distributed operation, as in *Amdocs*; “storing the data in a dedicated memory chip” provides faster data retrieval, as in *Visual Memory* and *Enfish*; “retrieving and displaying the data on a GUI that has a unique appearance based on the activated link” significantly modifies the appearance of GUI, as in *DDR*; and “using the displayed data as a password to open an application” performs an activity based on the retrieved and displayed data, as in *Classen*. By “stacking” these different features in a manner that is analogous to what has been deemed statutory under 35 U.S.C. § 101, then the claimed invention should be deemed eligible for patent protection under 35 U.S.C. § 101.

Conclusion

As shown by the cited cases, which are cited with approval in the *February 2018 USPTO Guidelines* as being eligible for patent protection under 35 U.S.C. § 101, the reasoning found in non-computer related patent applications is relevant to computer related patent applications. That is, *Mayo* (a non-computer related invention) provides the basis for determining patent eligibility under 35 U.S.C. § 101. As such, reasoning from non-computer related patent applications that have resulted in a determination of patent eligibility under 35 U.S.C. § 101 (e.g., *Classen*) should be incorporated into the analysis of whether a computer related patent application is eligible for patent protection under 35 U.S.C. § 101.